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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/010,340	12/05/2001	Owen H. Brown	3263/Brown	7289

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EXAMINER

O CONNOR, GERALD J

ART UNIT	PAPER NUMBER
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3627

DATE MAILED: 07/09/2003

8

Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application No.  
10/010,340

Applicant(s)  
Brown et al.

Examiner  
O'Connor

Art Unit  
3627



-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE three MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136 (a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on April 10, 2003 (Response to Req't for Restriction).
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1-38 is/are pending in the application.
- 4a) Of the above, claim(s) 1-8 and 24-38 is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 9-23 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claims \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on April 1, 2002 is/are a) ☒ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on \_\_\_\_\_ is: a) ☐ approved b) ☐ disapproved by the Examiner.  
If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

## Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
a) ☐ All b) ☐ Some\* c) ☐ None of:  
1. ☐ Certified copies of the priority documents have been received.  
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).  
\*See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).  
a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

## Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892) 4) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948) 5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s). 4 6) ☐ Other:

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## **DETAILED ACTION**

### ***Election/Restriction***

1. Applicant's election with traverse of Invention V (Claims 9-23) in Paper N<sup>o</sup> 7 is hereby acknowledged, it appearing that "Group VI" (page 2, line 16) was intended to be --Group V--, based on the references to "claims 9-23" (page 2, line 17) and "Groups I-IV, VI, and VII" (page 2, line 18). The traversal is with respect to the restriction between Inventions V and VI only, on the ground(s) that each of Inventions V and VI are performed by an Electronic Funds Processor (EFP), thus the method of Invention VI cannot be practiced by hand as asserted, therefore, the method of Invention VI is not patentably distinct from the method of Invention V.

2. Applicant's arguments have been fully considered but are not found persuasive.

3. Regarding the argument that the method of Invention VI cannot be practiced by hand because both of Inventions V and VI are performed by an Electronic Funds Processor (EFP) which therefore requires electronic (i.e. non-manual) means, both of Inventions V and VI are indeed performed by an Electronic Funds Processor, but whereas the EFP of Invention V processes electronic funds, the EFP of Invention VI processes non-electronic funds (i.e. cash). Since processing of electronic funds by an entity would indeed inherently require some sort of electronic means, but processing of non-electronic funds by the same entity would not, the processing of the non-electronic funds (cash) could indeed be performed by hand.

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4. The restriction requirement is still deemed proper and is therefore made FINAL.
5. Claims 1-8 and 24-38 are withdrawn from further consideration pursuant to 37 CFR 1.142(b), as being drawn to a non-elected invention, there being no allowable generic or linking claim. Applicant timely traversed the restriction requirement in Paper N<sup>o</sup> 7.

***Claim Rejections - 35 USC § 103***

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 9-23 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cretzler (US 5,644,724), in view of Hanna et al. (US 6,230,928).

Cretzler discloses a method for calculating and debiting sales tax amounts of credit/debit card transactions of a merchant comprising the steps of: receiving an authorization for payment from one of a plurality of credit card issuers for each of one or more credit/debit card transaction authorization requests submitted by the merchant; determining a sales tax amount for each authorized transaction of the merchant; storing information about the tax portion for each authorized transaction of the merchant; receiving a request from the merchant for payment for

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the authorized transaction(s); determining a tax amount from the stored information; crediting a tax account of the merchant with payment of the tax amount. The method of Cretzler, though, involves the merchant paying the tax amount(s) directly to the taxing authorities, rather than depositing the funds into an escrow account for later payment to the taxing authorities on behalf of the merchant.

However, Hanna et al. disclose a similar method, which method indeed includes an escrow account into which sales tax amounts of a merchant are directly deposited for later payment to the taxing authorities on behalf of the merchant. See, in particular, column 11, lines 46-59.

Therefore, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to have modified the invention of Cretzler so as to send the calculated sales tax amounts to an escrow account for later payment to the taxing authorities on behalf of the merchant, in accordance with the teachings of Hanna et al., rather than sending the calculated sales tax amounts directly to the taxing authorities, in order for the merchant to collect interest on the deposited funds prior to the deadline for transferring the sales tax funds to the taxing authorities.

Regarding claim 10, it is inherent to the method of Cretzler that the credit to the merchant (at the end of a taxing period) is a net credit representing a sum of the payments made during the taxing period.

Regarding claims 11-14, management of the escrow account by any of the parties involved (other than the merchant), including the EFP, a merchant bank, and other credit card

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transaction processors, and the charging of a fee by the entity managing the account, would be considered well known, hence obvious steps to follow to those of ordinary skill in the art. Therefore, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to have further modified the method of Cretzler by having any of the entities involved in the transactions, other than the merchant, manage the escrow account and charge a fee for that service, merely as a matter of design choice, since so doing could be performed readily and easily by any person of ordinary skill in the art, with neither undue experimentation, nor risk of unexpected results.

Regarding claims 15-17 and 20, the method of Cretzler includes that each calculated sales tax payment amount represent a tax owed with respect to cardholder transaction associated with the requested payment, wherein the tax owed is determined as a function of a tax rate, associated with at least one of a sales tax schedule, a value-added tax schedule, and a garnishment schedule, for a tax jurisdiction identified to the cardholder transaction, which inherently includes determining if an item is tax-exempt from sales tax, such that its tax rate would be nil.

Regarding claim 18, increasing a tax rate by a garnishment amount so as to facilitate the collection of back taxes is a well known, hence obvious step to follow for one of ordinary skill in the art. Therefore, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to have further modified the method of Cretzler so as to increase the tax rate by a garnishment amount, in order to facilitate collection of back taxes, merely as a matter of design

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choice, since so doing could be performed readily and easily by any person of ordinary skill in the art, with neither undue experimentation, nor risk of unexpected results.

Regarding claims 19, 21, and 22, the escrow account of the method of Hanna et al. comprises a merchant savings account, and the method of Hanna et al. includes providing information about the escrow portion to at least one of the merchant and the escrow account provider, in combination with a sales draft. Therefore, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to have further modified the method of Cretzler so as to established the escrow account as a merchant savings account and provide information about the escrow portion to at least one of the merchant and the escrow account provider, in combination with a sales draft, in accordance with the teachings of Hanna et al., in order to provide interest payments to the merchant and keep at least one of the merchant and the escrow account provider apprised of the status of the payments.

Regarding claim 23, providing financial account information by means of a secure web page is a well known, hence obvious means of providing information concerning the account to the account holder. Therefore, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to have further modified the method of Cretzler so as to provide information concerning the account to the merchant via a secure web site, merely as a matter of design choice, as is well known to do, in order to provide the information as speedily and conveniently as possible, since so doing could be performed readily and easily by any person of ordinary skill in the art, with neither undue experimentation, nor risk of unexpected results.


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*Conclusion*

8. The prior art made of record and not relied upon is considered pertinent to the disclosure.
9. Any inquiry concerning this communication, or earlier communications, should be directed to the examiner, Jerry O'Connor, whose telephone number is (703) 305-1525, and whose facsimile number is (703) 746-3976.

GJOC

June 25, 2003

 6/30/03  
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